



# **The Commonwealth of Massachusetts**

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## **DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

### **BAY STATE GAS COMPANY**

D.T.E. 05-27

### **THIRTEENTH SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO THE COMPANY**

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Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy ("Department") submits to Bay State Gas Company ("Bay State" or "Company") the following set of Information Requests for response within SEVEN business days of issuance:

- DTE 13-1      Please provide case names, docket numbers and copies of all testimony that Mr. Moul has ever submitted in Massachusetts concerning the cost of capital.
- DTE 13-2      Please provide the geographic operations areas for each of the companies included in Mr. Moul's Gas Group.
- DTE 13-3      Please provide a worksheet showing the following data for the Company and each individual company included in Mr. Moul's Gas Group for the past 5 years:
- year-end total revenues
  - percentage of revenues derived from gas distribution operations
  - year-end long-term debt
  - year-end common equity
  - debt-equity ratio
  - year-end total capital
  - operating margin
  - interest coverage ratio
  - net cash flows
  - year-end short-term debt
- DTE 13-4      Refer to Exh. BSG/PRM-1, at 7. Please provide any documents and/or analyses performed by the Company examining the relationship between high gas prices and delinquent customer accounts.

- DTE 13-5 Refer to Exh. BSG/PRM-1, at 7. Please provide all source materials, studies, and/or analyses relied upon or conducted by Mr. Moul supporting his assessment of increased natural gas business risk as faced by the Company.
- DTE 13-6 Refer to Exh. BSG/PRM-1, at 7-8. Please provide all source materials, studies, and/or analyses relied upon or conducted by Mr. Moul supporting his assessment of the impending threat of bypass in the Company's service area.
- DTE 13-7 Refer to Exh. BSG/PRM-1, at 8. Please explain how the Company will attempt to "rebalance" its rates to reflect the cost of providing service to smaller, lower load customers. Provide any materials, studies, and/or analyses that the Company plans to use in order to conduct this process.
- DTE 13-8 Refer to Exh. BSG/PRM-1, at 8. Please explain in detail how the Company has been proactive to the threat of bypass by working with its customers that are in close proximity to interstate pipelines. Provide any materials, studies, and/or analyses used by the Company to mitigate the threat of bypass.
- DTE 13-9 Refer to Exh. BSG/PRM-1, at 8. Please explain any variance in risk associated with the threat of bypass of the Company to each company in the Gas Group.
- DTE 13-10 Refer to Exh. BSG/PRM-1, at 8. Please explain any variance in risk associated with the load factor of the Company to each company in the Gas Group.
- DTE 13-11 Refer to Exh. BSG/PRM-1, at 15. Please provide the percentage of operations from the gas utility business to revenues, income, and identifiable assets for each company in the Gas Group. Provide copies of source documents with this information.
- DTE 13-12 Refer to Exh. BSG/PRM-1, at 16. Please provide the anticipated date of 2004 annual data availability from S&P Compustat. Upon availability of the 2004 S&P Compustat data, will the Company be able to provide updated Gas Group analyses?
- DTE 13-13 Refer to Exh. BSG/PRM-1, at 16-19. Please provide a summary of the information provided by category for the Company, the Gas Group, and the S&P Public Utilities in table format.
- DTE 13-14 Refer to Exh. BSG/PRM-1, at 16-19. Please provide a summary of the information provided by category for the Company, the Gas Group, and the S&P Public Utilities in table format using 1999 - 2003 data for all groups.

- DTE 13-15 Refer to Exh. BSG/PRM-1, at 21, and Exh. BSG/PRM-2, Sch. PRM-5. Provide specific source information for all items listed in the “Actual Amount Outstanding” column. If the data is from the Company’s 2004 Annual Return to the D.T.E., please note page, account, and line of the item. If an item is Company-provided, please provide the underlying documents and analysis related to the item.
- DTE 13-16 Refer to Exh. BSG/PRM-2, Sch. PRM-5. Has the proforma \$15,000,000 note already received Department authorization as part of Bay State Gas Company, D.T.E. 04-80 (2004), or does the Company intend to seek approval of this issuance as part of a separate petition?
- DTE 13-17 Refer to Exh. BSG/PRM-1, at 21, and Exh. BSG/PRM-2, Sch. PRM-6, at 1-2. Please provide specific source information for all items. If the data is from the Company’s 2004 Annual Return to the D.T.E., please note page, account, and line of the item. If an item is Company-provided, please provide the underlying documents and analysis related to the item.
- DTE 13-18 Refer to Exh. BSG/PRM-1, at 21, and Exh. BSG/PRM-2, Sch. PRM-6, at 1-2. Please explain all pro-forma adjustments referenced here.
- DTE 13-19 Refer to Exh. BSG/PRM-2, Sch. PRM-2, at 1, Operating Ratio for 2004. Please provide the analysis of this value and provide the source materials of all underlying data.
- DTE 13-20 Refer to Exh. BSG/PRM-2, Sch. PRM-2. Please provide specific source information for all items. If the data is from the Company’s 2004 Annual Return to the D.T.E., please note page, account, and line of the item. If an item is Company-provided, please provide the underlying documents and analysis related to the item.
- DTE 13-21 Refer to Exh. BSG/PRM-2, Sch. PRM-11, at 1. Please provide the formula used and explanation of the formula used to calculate the geometric mean.
- DTE 13-22 Refer to Exh. BSG/PRM-2, Sch. PRM-11, at 2. Please provide all underlying data and source materials. Provide all, and explain the reason for, methods and analyses chosen for this table.
- DTE 13-23 Refer to Exh. BSG/PRM-2, Sch. PRM-13. Please provide all underlying data and source materials.

- DTE 13-24 Refer to Exh. BSG/PRM-1, at 24. Please provide a copy of all orders from the Pennsylvania Public Utility Commission cited on this page.
- DTE 13-25 Refer to Exh. BSG/PRM-1, at 24. Aside from the Pennsylvania Public Utility Commission, have any regulatory agencies in the United States acknowledged and approved adjustments to DCF results? If so, please provide the Department with a sample of these approvals from the last 7 years, and related documentation.
- DTE 13-26 Refer to Exh. BSG/PRM-1, at 36 and Exh. BSG/PRM-1, Appendix E, at 14. Please provide all workpapers and explain any analyses performed to arrive at the 9.57% market determined cost equity.
- DTE 13-27 Refer to Exh. BSG/PRM-1, at 36 and Exh. BSG/PRM-1, Appendix C, at 1-2. Please provide a list of elements and/or types of risk by category of risk (financial risk and business risk.) Please provide any supporting documentation used to assemble this list.
- DTE 13-28 Refer to Exh. BSG/PRM-1, at 44. Did Mr. Moul perform any quantitative analysis to arrive at the 4.75 percent equity risk premium? If so, please provide all workpapers and documentation used, and explain this analysis.

DATED: June 10, 2005